

REPORT OF THE COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

July 13, 2004

The Honorable,
The Board of Commissioners of Cook County

ATTENDANCE

Present: Chairman Collins, Commissioners Gorman, Murphy and Quigley (4)

Absent: Vice Chairman Goslin, Commissioners Hansen and Maldonado (3)

Also Present: John P. Nyhan, General Counsel and Patrick J. Hanlon, General Counsel, Cook County Assessors Office.

Ladies and Gentlemen:

Your Committee on Business and Economic Development of the Board of Commissioners of Cook County met pursuant to notice on Tuesday, July 13, 2004 at the hour of 9:30 AM in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Your Committee has considered the following item and upon adoption of this report, the recommendations are as follows:

266178 REAL PROPERTY ASSESSMENT CLASSIFICATION ORDINANCE (PROPOSED ORDINANCE AMENDMENT). Transmitting a Communication, dated May 24, 2004 from James M. Houlihan, Cook County Assessor:

I am requesting that the Board of Commissioners approve an amendment to the Class 6b Classification Ordinance that clarifies necessary document submittals and time frames relating to requests to shorten the 24-month abandonment period.

Currently, applicants seeking 6b incentives for new construction, substantial rehabilitation or the reoccupation of property abandoned for longer than 24 months may file municipal and county letters in lieu of enabling ordinances. This ordinance amendment seeks to provide that same procedure relating those properties having been abandoned for less than 24 months. Applicants would still be required to obtain approval of the necessary ordinance prior to actually receiving the benefits of the incentive.

Presently, applicants must obtain a municipal finding that "special circumstances" exist to waive the required 24 months of abandonment and also must obtain a resolution by the Cook County Board of Commissioners to validate that municipal finding. Unfortunately, the current language contained in the Ordinance does not make it plain that the option of providing a "letter in lieu of" an ordinance extends to cases involving these "special circumstances".

All applications regarding abandoned property must be made to the Assessor's Office within 90 days after purchase of the property. Given the scheduling constraints on the relevant governing bodies, obtaining the required resolution in 90 days is not possible at all times. Foreclosing the option of providing a "letter in lieu of" an ordinance to those property owners who seek "special circumstances" puts them in an untenable and unintended position.

Allowing an applicant to file a municipal or county "letter in lieu of" an enabling ordinance at the time it made application to the Assessor became effective on January 1, 2000. Although we intended that the benefits and flexibility provided by this amendment apply in all cases, the current language contained in the Ordinance is not clear as to the matter. This ambiguity was unintentional and the result of an oversight in the drafting of those amendments that became effective on January 1, 2000, and for this reason this change is sought.

I have submitted a copy of proposed changes to the Ordinance, which should rectify the situation once approved.

The following is a synopsis of the Proposed Ordinance Amendment.

PROPOSED ORDINANCE AMENDMENT

Class 6b: Real estate used primarily for industrial purposes, as defined herein, consisting of all newly constructed buildings or other structures, including the land upon which they are situated; or abandoned property, as defined herein, including the land upon which such property is situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation. Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.

In the case of abandoned property, if the municipality or the Board of Commissioners, as the case may be, finds that special circumstances justify finding that the property is "abandoned" for purpose of Class 6b, even though it has been vacant and unused for less than 24 months, that finding, along with the specification of the circumstances, shall be included in the resolution or ordinance supporting and consenting to the Class 6b application. Such resolution or ordinance shall be ~~filed~~ included with the eligibility application. If the ordinance or resolution is that of a municipality, the approval of the Board of Commissioners of Cook County is required to validate such shortened period of qualifying abandonment, and a resolution to that effect shall be included with the Class 6b eligibility application. The applicant must obtain the municipal enabling ordinance with the required finding of special circumstances and present such municipal ordinance to the Board of Commissioners of Cook County prior to its determination as to whether it will validate such a shortened period of qualifying abandonment and provide a County resolution to that effect. A certified copy of an ordinance or resolution finding that special circumstances exist,

